



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
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DA 97-386
February 21, 1997

AUCTION OF WIRELESS COMMUNICATIONS SERVICE (WCS)

**Auction Notice and Filing Requirements
for 128 WCS Licenses
Scheduled for April 15, 1997**

Report No. AUC-97-14-A (Auction No. 14)

1. INTRODUCTION

Licenses to Be Auctioned: 128 licenses. Wireless Communications Service ("WCS") licensees are permitted, within their assigned spectrum and geographic areas, to provide any fixed, mobile, radiolocation or broadcast-satellite use consistent with the allocation table and associated international agreements concerning spectrum allocations. The auction will consist of 2 licenses (Frequency Blocks "A" and "B") in 52 Major Economic Areas (MEAs), authorizing service on 10 MHz of spectrum, and 2 licenses (Frequency Blocks "C" and "D") in each of 12 Regional Economic Area Groupings (REAGs), authorizing service on 5 MHz of spectrum. Each frequency block encompasses the following spectrum:

Frequency Block A: 2305-2310 MHz paired with 2350-2355 MHz

Frequency Block B: 2310-2315 MHz paired with 2355-2360 MHz

Frequency Block C: 2315-2320 MHz

Frequency Block D: 2345-2350 MHz

A detailed listing of MEAs and REAGs, with their FCC market number, market description, license number, population, and upfront payment, as well as service area maps, are provided in Attachment A.

Auction Date: The auction will begin on April 15, 1997. The precise schedule for bidding will

be announced by public notice at least one week before the start of the auction. Unless otherwise announced, bidding will be conducted on each business day until bidding has stopped on all licenses.

Auction Title: This is the fourteenth spectrum auction the FCC has scheduled, and will be referred to as "Auction No. 14, Wireless Communications Service."

Bidding Methodology: Simultaneous multiple round bidding. Bidding will be by electronic means from remote locations only. Participants should note that this auction will use a round structure that is different from the procedures used in previous Commission auctions. See Part 4.B below.

Pre-Auction Dates:

- WCS Industry Forum February 28, 1997
- Short-Form Application (FCC Form 175) March 25, 1997, 5:30 p.m. ET
- Upfront Payments:
 - Only Wire Transfer Accepted April 4, 1997, 6:00 p.m. ET
- Orders for Remote Bidding Software April 4, 1997, 5:30 p.m. ET
- Mock Auction April 10, 1997

Telephone Contacts:

- FCC National Call Center 888-CALL-FCC (888-225-5322)
(Bidder Information Packages and General Auction Information)
- FCC Technical Support Hotline 202-414-1250

List of Attachments:

- Attachment A: List of Licenses Offered
- Attachment B: Electronic Filing of FCC Form 175
- Attachment C: Guidelines for Completing FCC Form 175 and Exhibits
- Attachment D: Summary Listing of Documents from the Commission and the Wireless Telecommunications Bureau Addressing Application of the Anti-Collusion Rules

Bidder Information Package: More complete details about this auction will be contained in a Bidder Information Package. The FCC will provide one copy free of charge. Additional copies may be ordered at a cost of \$16.00 each, including postage, payable by Visa or Master Card, or by check payable to "Federal Communications Commission" or "FCC". To place an order, please contact the FCC National Call Center at 888-CALL-FCC (888-225-5322). Bidders who do not receive their Packages within two weeks of ordering should contact the Call Center.

Participation: Those wishing to participate in the auction must submit an FCC Form 175 short-form application. The FCC Form 175 must be completed and filed in accordance with the

Commission's rules and the instructions provided in the Bidder Information Package, and **must be submitted electronically no later than 5:30 p.m. ET on March 25, 1997.** See Attachments B and C for detailed information on how to electronically file the required FCC Form 175 information.

Applicants will be required to submit an upfront payment and an FCC Remittance Advice (FCC Form 159). **The upfront payment must be made in U.S. dollars by wire transfer.** Payments must be received at Mellon Bank in Pittsburgh, Pennsylvania, no later than **April 4, 1997 at 6:00 p.m. ET. No other form of payment will be accepted.**

Prohibition of Collusion: To ensure the competitiveness of the auction process, the FCC's rules prohibit applicants for the same geographic areas from communicating with each other during the auction about bids, bidding strategies or settlements. This prohibition begins with the filing of short-form applications, and ends when winning bidders submit down payments. The prohibition does not apply where applicants enter into a bidding agreement before filing their short-form applications, and disclose the existence of the agreement in the short-form application. *See* 47 C.F.R. § 1.2105(c). *See also* the Summary of Documents from the Commission and the Wireless Telecommunications Bureau Addressing Application of the Anti-Collusion Rules in Attachment D to this Public Notice.

Relevant Authority: Prospective bidders should familiarize themselves thoroughly with the FCC's rules relating to the Wireless Communications Service contained in Title 47, Part 27 of the Code of Federal Regulations ("C.F.R."), and rules relating to application and auction procedures, contained in Title 47, Part 1, Subpart Q.

The specific rules applicable to WCS are contained in the Commission's *Report and Order in Amendment of the Commission's Rules to Establish Part 27, the Wireless Communications Service ("WCS")*, GN Docket No. 96-228, FCC 97-50 (released February 19, 1997). This *Report and Order* is posted on the Commission's world wide web site, <http://www.fcc.gov>. A summary of the *Report and Order*, along with the WCS rules, will be published in the Federal Register shortly.

The Terms contained in the FCC's rules, the *Report and Order*, this Public Notice, and in the Bidder Information Package are not negotiable. Prospective bidders should review these auction documents thoroughly prior to the auction to make certain that they understand all of the provisions and are willing to be bound by all of the Terms before participating in the auction.

The Commission may amend or supplement the information contained in this Public Notice and in the Bidder Information Package at any time. The FCC will issue public notices to convey new or supplemental information to bidders. It is the responsibility of all prospective bidders to remain current with all FCC rules and with all public notices pertaining to this auction. Copies of FCC documents, including public notices, may be obtained for a fee by calling the Commission's copy contractor, International Transcription Service, Inc., at 202-857-3800.

Additionally, many documents can be retrieved from the FCC Internet node via anonymous ftp@ftp.fcc.gov or the FCC world wide web site at <http://www.fcc.gov>. Bidders should also note that a separate Auction's web page is available on the Commission's web site at <http://www.fcc.gov/auctions.html>.

Bidder Alerts: All applicants must certify under penalty of perjury on their FCC Form 175 applications that they are legally, technically, financially and otherwise qualified to hold a license, and not in default on any Commission licenses. Prospective bidders are reminded that submission of a false certification to the Commission is a serious matter that may result in severe penalties, including monetary forfeitures, license revocations, exclusion from participation in future auctions, and/or criminal prosecution.

The FCC makes no representations or warranties about the use of this spectrum for particular services. Applicants should be aware that an FCC auction represents an opportunity to become an FCC licensee in this service, subject to certain conditions and regulations. An FCC auction does not constitute an endorsement by the FCC of any particular services, technologies or products, nor does an FCC license constitute a guarantee of business success. Applicants should perform their individual due diligence before proceeding as they would with any new business venture.

As is the case with many business investment opportunities, some unscrupulous entrepreneurs may attempt to use the WCS auction to deceive and defraud unsuspecting investors. Common warning signals of fraud include the following:

- ☞ The first contact is a "cold call" from a telemarketer, or is made in response to an inquiry prompted by a radio or television infomercial.
- ☞ The offering materials used to invest in the venture appear to be targeted at IRA funds, for example by including all documents and papers needed for the transfer of funds maintained in IRA accounts.
- ☞ The amount of the minimum investment is less than \$25,000.
- ☞ The sales representative makes verbal representations that: (a) the IRS, FTC, SEC, FCC, or other government agency has approved the investment; (b) the investment is not subject to state or federal securities laws; or (c) the investment will yield unrealistically high short-term profits. In addition, the offering materials often include copies of actual FCC releases, or quotes from FCC personnel, giving the appearance of FCC knowledge or approval of the solicitation.

Information about deceptive telemarketing investment schemes is available from the Federal Trade Commission (FTC) at 202-326-2222 and from the Securities and Exchange Commission (SEC) at 202-942-7040. Complaints about specific deceptive telemarketing

investment schemes should be directed to the FTC, the SEC, or the National Fraud Information Center at 800-876-7060. Consumers who have concerns about specific WCS investment proposals may also call the FCC National Call Center at 888-CALL-FCC (888-225-5322).

2. BIDDER ELIGIBILITY AND SMALL BUSINESS PROVISIONS

A. General Eligibility Criteria

As described in Part 1 above, this auction offers a total of 128 WCS licenses, with two licenses available in each of the 52 MEAs (Frequency Blocks "A" and "B") and two licenses available in each of the 12 REAGs (Frequency Blocks "C" and "D"). WCS licensees will be permitted to partition their service areas into smaller geographic service areas and to disaggregate their spectrum into smaller blocks. *See* 47 C.F.R § 27.15.

Section 27.12 of the Commission's rules sets out eligibility requirements for WCS licensees. Under Section 27.12, any entity, other than those precluded by foreign ownership restrictions set forth in Section 310 of the Communications Act of 1934, as amended, 47 U.S.C. § 310, is eligible to hold a WCS license.

Prospective bidders should note that the Commission is hosting an industry forum on the WCS on February 28, 1997, at the agency's auction site located at 2 Massachusetts Avenue, N.E., Washington, D.C. Additional information regarding the forum is available on the Auction's web page of the Commission's web site, or by calling Louis Sigalos or Josh Roland of the Auctions Division of the Wireless Telecommunications Bureau at 202-418-0660.

B. Special Financial Provisions for Qualifying Small Businesses

Qualifying small business applicants are eligible for the special financial provision of bidding credits. *See* 47 C.F.R § 27.209

(1) Definitions of Small Businesses

The Commission defined the small business definitions for the WCS as:

- o A "small business" is defined as an entity with average gross revenues not exceeding \$40 million for the preceding three years.
- o A "very small business" is defined as an entity with average gross revenues not exceeding \$15 million for the preceding three years.

Gross revenues include all income received by an entity, whether earned or passive, before any deductions are made for costs of doing business (e.g., cost of goods sold), as evidenced by audited financial statements for the relevant number of most recently completed calendar years, or, if audited financial statements were not prepared on a calendar-year basis, for the most recently completed fiscal years preceding the filing of the applicant's short-form application (FCC Form 175). If an entity was not in existence for all or part of the relevant period, gross revenues shall be evidenced by the audited financial statements of the entity's predecessor-in-interest or, if there is no identifiable predecessor-in-interest, unaudited financial statements certified by the applicant as accurate. When an applicant does not otherwise use audited financial statements, its gross revenues may be certified by its chief financial officer or its equivalent. *See* 47 C.F.R. § 27.210.

In determining whether an entity qualifies as a small business at either threshold, gross revenues of all "controlling" principals will be attributed to the prospective small business applicant, as well as the gross revenues of affiliates of the applicant. However, personal net worth is not included in the determination of eligibility for bidding as a small business. The term "control" includes both *de jure* and *de facto* control of the applicant. Typically, *de jure* control is evidenced by ownership of 50.1 percent of an entity's voting stock. *De facto* control is determined on a case-by-case basis. An entity must demonstrate at least the following indicia of control to establish that it retains *de facto* control of the applicant: (1) the entity constitutes or appoints more than 50 percent of the board of directors or partnership management committee; (2) the entity has authority to appoint, promote, demote and fire senior executives that control the day-to-day activities of the licensees; and (3) the entity plays an integral role in all major management decisions. The definition of "affiliate" is set forth at Section 27.210(d) of the Commission's Rules.

(2) Bidding Credits

The size of a WCS bidding credit depends on the annual gross revenues of the bidder and its affiliates, as averaged over the preceding three years:

- A bidder with average gross annual revenues not exceeding \$40 million (a "small business") receives a 25-percent discount on its winning bids for WCS licenses.
- A bidder with average gross annual revenues not exceeding \$15 million (a "very small business") receives a 35-percent discount on its winning bids for WCS licenses.

These bidding credits are not cumulative.

(3) Application Showing

Applicants should note that as part of their FCC Form 175 filing they will be required to file supporting documentation to establish that they satisfy the eligibility requirements to bid as a small business or very small business in this auction, and that they are subject to audits to confirm their eligibility.

(4) Unjust Enrichment

WCS winning bidders should note that unjust enrichment provisions apply to winning bidders who use bidding credits and subsequently assign or transfer control of their WCS licenses to an entity that does not qualify for the special financial provisions. *See* 47 C.F.R. § 27.209. Likewise, unjust enrichment provisions apply to any WCS licensee that received a bidding credit and subsequently partitions a portion of its license or disaggregates a portion of its spectrum to an entity that would not have qualified for such a bidding credit.

3. PRE-AUCTION PROCEDURES

A. Short-Form Application (FCC Form 175) – Due March 25, 1997

In order to be eligible to bid in this auction, applicants must first submit an FCC Form 175 application to the Commission. **This application must be submitted electronically by 5:30 p.m. ET on March 25, 1997. Late applications will not be accepted.**

There is no application fee required when filing a FCC Form 175. However, to be eligible to bid, an applicant will have to submit an upfront payment. *See* Part 3.C below.

(1) Electronic Filing Only

Applicants must file their applications electronically. Manual filing is not permitted for this auction. Generally, applicants may begin to file electronically on a 24-hour basis beginning at about the same time as release of the Bidder Information Package. All the information required to file the FCC Form 175 electronically (*i.e.*, software, help files and configuration samples) will be available over both the Internet and the FCC's Bulletin Board System ("BBS"). Information about downloading, installing, and running the FCC Form 175 application software is included in Attachment B to this Public Notice.

(2) Completion of the FCC Form 175

Applicants should carefully review 47 C.F.R. §§ 1.2105 and 27.204, and must complete all items on the FCC Form 175 (and 175-S, if applicable). Instructions for completing the FCC Form

175 will be contained in the Bidder Information Package and are in Attachment C to this Public Notice.

Failure to submit the required ownership information will result in dismissal of the application and loss of the ability to participate in the auction.

(3) Electronic Review of FCC Form 175

The FCC Form 175 review software may be used to review and print applicants' FCC Form 175 applications. In other words, applicants who file electronically may review their own completed FCC Form 175s. Applicants also have access to view other applicants' completed FCC Form 175s after the deadline for filing FCC Form 175s has passed and the FCC has issued a public notice identifying the filing status of the applicants.

B. Application Processing and Minor Corrections

After the deadline for filing the FCC Form 175 applications has passed, the FCC will process all timely applications to determine which are acceptable for filing, and subsequently will issue a public notice identifying: (1) those applications accepted for filing (including FCC account numbers and the licenses for which they applied); (2) those applications rejected; and (3) those applications which have minor defects that may be corrected, and the deadline for filing such corrected applications.

As described more fully in our rules, **after the March 25, 1997 short-form filing deadline, applicants may make only minor corrections to their FCC Form 175 applications. Applicants will not be permitted to make major modifications to their applications** (*e.g.*, change their license selections, change the certifying official or change control of the applicant). *See* 47 C.F.R. § 27.204(b).

C. Upfront Payments – Due April 4, 1997

In order to be eligible to bid in the auction, applicants must submit an upfront payment accompanied by an FCC Remittance Advice (FCC Form 159). All upfront payments must be received by wire transfer at Mellon Bank in Pittsburgh, Pennsylvania, by 6:00 p.m. E.T. on April 4, 1997.

Please note that:

- **All payments must be made in U.S. dollars.**

- **All payments must be made by wire transfer. No other form of payment will be accepted.**
- **Upfront payments for Auction 14 go to a different lockbox number from the one used in previous FCC auctions, and different from the lockbox number to be used for post-auction payments.**
- **Failure to deliver the upfront payment by the April 4, 1997 deadline will result in dismissal of the application and disqualification from participation in the auction.**

(1) Wire Transfers

For this auction, the FCC requires applicants to make their upfront payments by wire transfer, which experience has shown provides the greatest reliability and efficiency. Wire transfer payments must be received by **6:00 p.m. ET on April 4, 1997**. To avoid untimely payments, applicants should discuss arrangements (including bank closing schedules) with their banker several days before they plan to make the wire transfer, and allow sufficient time for the transfer to be initiated and completed before the deadline. Applicants will need the following information:

ABA Routing Number: 043000261
 Receiving Bank: Mellon Pittsburgh
 BNF: FCC/AC--9116106
 OBI Field: (Skip one space between each information item)
 "AUCTIONPAY"
 FCC ACCOUNT NO. (same as FCC Form 159, Block 1)
 PAYMENT TYPE CODE (enter "A30U")
 FCC CODE (same as FCC Form 159, Block 17A: "14")
 PAYOR NAME (same as FCC Form 159, Block 3)
 LOCKBOX NO. 358400

NOTE: The BNF and Lockbox No. are specific to the upfront payments for WCS; do not use BNF or Lockbox numbers from previous auctions.

Applicants must fax a completed FCC Form 159 to Mellon Bank at 412-236-5702 at least one hour before placing the order for the wire transfer (but on the same business day). On the cover sheet of the fax, write "Wire Transfer - Auction Payment for Auction Event #14".

(2) FCC Form 159

Each upfront payment must be accompanied by a completed FCC Remittance Advice (FCC Form 159). Proper completion of FCC Form 159 is critical to ensuring correct credit of

upfront payments. Instructions for completing FCC Form 159 will be contained in the Bidder Information Package.

(3) Amount of Upfront Payment

The amount of the upfront payment required to bid on a particular license in Auction No. 14 is \$0.02 per megahertz per population (MHz-pop). As noted below, a different determination is used for the Gulf of Mexico service area. The upfront payment associated with each license offered is listed in Attachment A to this Public Notice. Upfront payments, however, are not attributed to specific licenses, but instead will be translated to bidding units to define the bidder's maximum bidding eligibility.

Thus, an applicant does not have to make an upfront payment to cover all licenses for which it has applied. Rather, the total upfront payment defines the maximum amount of bidding units the applicant will be permitted to bid on (including standing high bids) in any single round of bidding. At a minimum, an applicant's total upfront payment must be enough to establish eligibility to bid on at least one of the licenses applied for on its FCC Form 175, or else the applicant will not be eligible to participate in the auction.

In calculating the upfront payment amount, an applicant should determine the maximum number of bidding units in terms of MHz-pops it may wish to bid on in any single round, and submit an upfront payment covering that number of bidding units. In this auction, the licenses authorize service over 10 MHz of spectrum for MEAs and 5 MHz of spectrum for REAGs. Thus, if an applicant wants to be eligible to bid in any single bidding round on licenses in MEAs with a maximum total population of 750,000 persons, the applicant must submit an upfront payment of \$150,000 ($750,000 \times 10 \text{ MHz} \times \$0.02 = \$150,000$). Due to the unique circumstances of the Gulf of Mexico service area (no population figure), the Commission will establish an upfront payment of \$5,000 and 250,000 bidding units for each MEA license and an upfront payment of \$2,500 and 125,000 bidding units for each REAG license in this area.

NOTE: An applicant may, on its FCC Form 175, apply for every license being offered, but its actual bidding in any round will be limited by the bidding units reflected in its upfront payment. As explained in Parts 4.A(2) and 4.A(4) below, bidders will be required to remain active in each round of the auction on a specified percentage of bidding units reflected in their upfront payments in order to retain their current eligibility.

(4) Refunds

The FCC currently intends to use wire transfers for all Auction 14 refunds. To avoid delays in processing refunds, applicants should include wire transfer instructions with any refund request they file; they may also provide this information in advance by faxing it to the FCC Billings and Collections Branch, ATTN: Regina Dorsey or Linwood Jenkins, at 202-418-2843.

(Applicants should also note that implementation of the Debt Collection Improvement Act of 1996 requires the FCC to obtain a Taxpayer Identification Number before it can disburse refunds.) Eligibility for refunds is discussed later in Part 5.D.

D. Auction Registration

No later than five business days before the auction, the FCC will issue a public notice announcing all qualified bidders for the auction. Qualified bidders are those applicants whose FCC Form 175 applications have been accepted for filing and who have timely submitted upfront payments sufficient to make them eligible to bid on at least one of the licenses for which they applied.

All qualified bidders are automatically registered for the auction. Registration materials will be distributed prior to the auction by two separate overnight mailings, each containing part of the confidential identification codes required to place bids. **These mailings only will be sent to the contact person at the applicant address listed in the FCC Form 175.**

Applicants who do not receive both registration mailings will not be able to submit bids. Therefore, any qualified applicant who has not received both mailings within **three business days** after the release of the qualified bidders public notice should contact the FCC National Call Center at 888-CALL-FCC (888-225-5322). Receipt of both registration mailings is critical to participating in the auction and each applicant is responsible for ensuring it has received all of the registration material.

Qualified bidders should note that lost login codes, passwords or bidder identification numbers can only be replaced by appearing in person at the FCC Auction Headquarters located at 2 Massachusetts Avenue, N.E., Washington, D.C. 20002. Only an authorized representative or certifying official, as designated on an applicant's FCC Form 175, may appear in person with two forms of identification (one of which must be a photo identification) in order to receive replacement codes.

E. Remote Electronic Bidding Software

Bidding for WCS licenses is by electronic means only. Bidders **must** purchase remote electronic bidding software for \$175.00, including shipping and handling, by April 4, 1997. (Auction software is tailored to a specific auction, so software from prior auctions will not work for Auction 14.) Information about this software and an order form will be included in the Bidder Information Package. Bidders who order remote bidding software by the ordering deadline will receive it with the registration mailings.

F. Mock Auction

All applicants whose FCC Form 175s have been accepted for filing will be eligible to participate in a mock auction beginning **April 10, 1997**. The mock auction will enable applicants to become familiar with the electronic software prior to the auction. Free demonstration software will be available for use in the mock auction. Due to different bidding procedures in the WCS auction from previous Commission auctions, participation by all bidders is strongly recommended. Details will be announced by public notice.

4. AUCTION EVENT

The Commission will begin the auction on Tuesday, April 15, 1997.

A. Auction Structure

(1) Simultaneous Multiple Round Auction

The 128 WCS licenses will be awarded through a single, simultaneous multiple round auction. Unless otherwise announced, bids will be accepted on all licenses in each round of the auction.

(2) Activity Rule

In order to ensure that the auction closes within a reasonable period of time, an activity rule requires bidders to bid actively throughout the auction, rather than waiting until the end before participating. A bidder that does not satisfy the activity rule either loses bidding eligibility or uses an activity rule waiver, as explained in Part 4.A(3) below.

A bidder is considered "active" on a license in the current round if it either is the high bidder at the end of the previous round's bidding period and does not withdraw the high bid in the current round, or submits an acceptable bid (*see* Part 4.B(2) below) in the current round. A bidder's activity level in a round is the sum of the bidding units associated with licenses on which the bidder is active. The minimum required activity level is expressed as a percentage of the bidder's maximum bidding eligibility and increases as the auction progresses following stage transitions, as described in Part 4.A(4) below.

(3) Activity Rule Waivers

Each bidder will be provided five activity rule waivers that may be used in any round during the course of the auction. Use of an activity rule waiver preserves the bidder's current bidding eligibility despite the bidder's activity in the current round being below the required minimum level. An activity rule waiver applies to an entire round of bidding and not to a particular license.

The FCC auction system assumes that bidders with insufficient activity would prefer to use an activity rule waiver (if available) rather than lose bidding eligibility. Therefore, the system will automatically apply a waiver (known as an "automatic waiver") at the end of any bidding period where a bidder's activity level is below the minimum required unless: (1) there are no activity rule waivers available; or (2) the bidder overrides the automatic application of a waiver by reducing eligibility.

A bidder with insufficient activity who wants to reduce its bidding eligibility rather than use an activity rule waiver must affirmatively override the automatic waiver mechanism during the bidding period. In this case, the bidder's eligibility is permanently reduced as described in Part 4.A(4) below, and it will not be permitted to later regain its lost bidding eligibility.

Finally, a bidder may proactively use an activity rule waiver as a means to keep the auction open without placing a bid. If a bidder submits a **proactive** waiver during a bidding period in which no bids are submitted, **the auction will remain open**. (Note that an **automatic** waiver invoked in a round in which there are no new valid bids will not keep the auction open.) Thus in the later rounds of the auction, if a bidder does not intend to bid but wants to ensure that the auction does not close, it should enter a proactive waiver in place of a bid.

(4) Auction Stages

The auction is composed of three stages, which are each defined by an increasing activity rule. Below are the proposed activity levels for each stage of the WCS auction. The FCC reserves the discretion to alter the activity percentages.

Stage One: In each round of the first stage of the auction, a bidder desiring to maintain its current eligibility is required to be active on licenses encompassing at least 60 percent of its current bidding eligibility. Failure to maintain the requisite activity level will result in a reduction in the bidder's bidding eligibility in the next round of bidding (unless an activity rule waiver is used). During Stage One, reduced eligibility for the next round will be calculated by multiplying the current round activity by five-thirds ($5/3$).

Stage Two: In each round of the second stage, a bidder desiring to maintain its current eligibility is required to be active on 90 percent of its current bidding eligibility. During Stage Two, reduced eligibility for the next round will be calculated by multiplying the current round activity by ten-ninths ($10/9$).

Stage Three: In each round of the third stage, a bidder desiring to maintain its current eligibility is required to be active on 98 percent of its current bidding eligibility. In this final stage, reduced eligibility for the next round will be calculated by multiplying the current round activity by fifty-fortyninths ($50/49$).

CAUTION: Since activity requirements increase in each auction stage, bidders must carefully check their current activity during the bidding period of the first round following a stage transition. This is especially critical for bidders who have standing high bids and do not plan to submit new bids. In past auctions, some bidders have inadvertently lost bidding eligibility or used an activity rule waiver because they did not reverify their activity status at stage transitions. Bidders may check their activity against the required minimum activity level by using the bidding software's bidding module.

(5) Stage Transitions

The auction will start in Stage One. Under our general guidelines it will advance to the next stage (i.e., from Stage One to Stage Two, and from Stage Two to Stage Three) when in each of three consecutive rounds of bidding, the high bid has increased on 10 percent or less of the licenses being auctioned (as measured in bidding units). However, the FCC retains the discretion to accelerate the auction by announcement. This determination will be based on a variety of measures of bidder activity including, but not limited to, the auction activity level, the percentages of licenses (measured in terms of activity units) on which there are new bids, the number of new bids, and the percentage increase in revenue.

(6) Auction Stopping Rules

Barring extraordinary circumstances, bidding will remain open on all licenses until bidding stops on every license. Thus, the auction will close for all licenses when one round passes during which no bidder submits a new acceptable bid on any license, applies a proactive waiver, or withdraws a previous high bid.

The FCC retains the discretion, however, to keep an auction open even if no new acceptable bids or proactive waivers are submitted, and no previous high bids are withdrawn. In this event, the effect will be the same as if a bidder had submitted a proactive waiver. Thus, the activity rule will apply as usual, and a bidder with insufficient activity will either lose bidding eligibility or use an activity rule waiver (if it has any left).

Further, in its discretion, the FCC reserves the right to declare that the auction will end after a specified number of additional rounds ("special stopping rule"). If the FCC invokes this special stopping rule, it will accept bids in the final round(s) only for licenses on which the high bid increased in at least one of the preceding three rounds. The FCC intends to exercise this option only in extreme circumstances, such as where the auction is proceeding very slowly, where there is minimal overall bidding activity, or where it appears likely that the auction will not close within a reasonable period of time. Before exercising this option, the FCC will probably first attempt to increase the pace of the auction by, for example, moving the auction into the next stage (where bidders would be required to maintain a higher level of bidding activity), increasing the

number of bidding rounds per day, and/or increasing the amount of the minimum bid increments for the limited number of licenses where there is still a high level of bidding activity.

(7) Auction Delay, Suspension or Cancellation

By public notice or by announcement during the auction, the FCC may delay, suspend or cancel the auction in the event of natural disaster, technical obstacle, evidence of an auction security breach, unlawful bidding activity, administrative or weather necessity, or for any other reason that affects the fair and competitive conduct of competitive bidding. In such cases, the FCC, in its sole discretion, may elect to: resume the auction starting from the beginning of the current round; resume the auction starting from some previous round; or cancel the auction in its entirety. Network interruption may cause the FCC to delay or suspend the auction.

B. Bidding Procedures

(1) Round Structure

The initial bidding schedule will be announced by public notice at least one week before the start of the auction, and will be included in the registration mailings. Each bidding round contains a single bidding period followed by the release of the round results. Participants should note that the round structure for the WCS auction is a different format than the round structure used in previous Commission auctions.

The FCC has discretion to change the bidding schedule in order to foster an auction pace that reasonably balances speed with the bidders' need to study round results and adjust their bidding strategies. The FCC may increase or decrease the amount of time for the performance and review periods, or the number of rounds per day, depending upon the bidding activity level and other factors.

(2) Minimum Acceptable Bids

The Commission does not anticipate establishing a minimum opening bid for WCS licenses, but reserves the discretion to implement minimum opening bids for any license. Bidders will be informed if a minimum opening bid is imposed through a public notice released prior to the start of the auction. Once there is a standing high bid on a license, the minimum bid increment for that license will be based on the level of activity that license has received in the current and previous rounds. The Commission will release the specific methodology for calculating this increment before the start of the auction.

(3) High Bids

Each bid will be date-and time-stamped when it is entered into the computer system. In the event of tie bids, the Commission will identify the high bidder on the basis of the order in which bids are received by the Commission, starting with the earliest bid.

(4) Bidding

During a bidding period, a bidder may submit bids for as many licenses as it is eligible, as well as withdraw high bids from previous bidding periods, remove bids placed in the same bidding period, or permanently reduce eligibility. **This is a change in the procedures from previous auctions.** Bidders also have the option of making multiple submissions and withdrawals per each bidding period, and will not have a separate period to withdraw bids. If a bidder enters multiple bids for a license in the same round, the system takes the last bid entered as that bidder's bid for the round. A bidder withdrawing a high bid from a previous round, will be subject to the bid withdrawal payments described below in Part 4.B.5, but a bidder removing a bid placed in the same round is not subject to the payments. Eligibility in the first round of the auction is determined by: (a) the licenses applied for on FCC Form 175 and (b) the upfront payment amount deposited. The bid submission screens will be tailored for each bidder to include only those licenses for which the bidder applied on its FCC Form 175. A bidder also has the option to tailor its bid submission screens to call up specified groups of licenses.

The bidding software requires each bidder to login to the FCC Auction System during the bidding period using the FCC Account Number, Bidder Identification Number, and confidential security codes provided in the registration materials. Bidders can download and print bid confirmations after they submit their bids.

(5) Bid Withdrawal

(a) Procedures

A high bidder that withdraws its standing high bid from a previous round is subject to the bid withdrawal payments specified in Section 27.203 of the Commission's Rules. A bidder that places a bid and removes it during the same bidding period will not be subject to a bid withdrawal payment. The procedure for withdrawing a bid and receiving a withdrawal confirmation is essentially the same as the bidding procedure described in Part 4.B(4) above. To prevent strategic delays to the close of the auction, the FCC retains the discretion to limit the number of times that a bidder may re-bid on a license from which it has withdrawn a high bid.

If a high bid is withdrawn, the license will be offered in the next round at the second highest bid price, which may be less than, or equal to, in the case of tie bids, the amount of the withdrawn bid, without any bid increment. The FCC will serve as a "place holder" on the license until a new acceptable bid is submitted on that license.

(b) Calculation

Generally, a bidder who withdraws a standing high bid during the course of an auction will be subject to a payment equal to the lower of (1) the difference between the net withdrawn bid and the subsequent net winning bid, or (2) the difference between the gross withdrawn bid and the subsequent gross winning bid for that license. *See* 47 C.F.R. § 27.203. No withdrawal payment will be assessed if the subsequent winning bid exceeds the withdrawn bid.

(6) Round Results

The bids placed during a bidding period are not published until the conclusion of that bidding period. After a bidding period closes, the FCC will compile reports of all bids placed, bids withdrawn, current high bids, new minimum accepted bids, and bidder eligibility status (bidding eligibility and activity rule waivers), and post the reports for public access.

Reports reflecting bidders' identities and bidder identification numbers will be available before and during the auction. Thus, bidders will know in advance of the auction the identities of the bidders against whom they are bidding.

(7) Auction Announcements

The FCC will use auction announcements to announce items such as schedule changes and stage transitions. All FCC auction announcements will be available on the FCC remote electronic bidding system, as well as the Internet and the FCC Bulletin Board System.

(8) Other Matters

As noted in Part 3.B above, after the short-form filing deadline, applicants may make only minor changes to their FCC Form 175 applications. For example, permissible minor changes include deletion and addition of authorized bidders (to a maximum of three) and revision of exhibits. Filers should make these changes on-line, and submit a letter to Kathleen O'Brien Ham, Chief, Auctions Division, Wireless Telecommunications Bureau, Federal Communications Commission, 2025 M Street, N.W., Room 5322, Washington, D.C., 20554 (and mail a separate copy to Josh Roland, Auctions Division), briefly summarizing the changes. Questions about other changes should be directed to the FCC Auctions Division at 202-418-0660.

5. POST-AUCTION PROCEDURES

A. Down Payments and Withdrawn Bid Payments

After bidding has ended, the FCC will issue a public notice declaring the auction closed ("auction closing notice"), identifying the winning bids and bidders for each license, and listing withdrawn bid payments due.

Within ten business days after release of the auction closing notice, each winning bidder must submit sufficient funds to bring the total amount of money on deposit with the government (upfront payment less any withdrawal payments) to 20 percent of its high bids, unless it is an eligible small or very small business who elected to bid using bidding credits, then it must submit sufficient funds to bring the total amount of money on deposit with the government (upfront payment less any withdrawal payments) to 20 percent of its net winning bids (actual bids less any applicable bidding credits). *See* 47 C.F.R. § 1.2107(b). In addition, by the same deadline all bidders must pay any withdrawn bid amounts due under Section 1.2104(g)(1) of the Commission's Rules, as discussed in Part 4.B(5) above. Upfront payments are applied first to satisfy any outstanding bid withdrawal payments before being applied toward down payments. 47 C.F.R § 1.2104(g)(2).

B. Long-Form Application (FCC Form 600)

Within ten business days after release of the auction closing notice, winning bidders must submit a properly completed FCC Form 600 application and required exhibits for **each WCS license won** through the auction. Winning small business or very small business bidders must include an exhibit demonstrating their eligibility for the small business incentives. *See* 47 C.F.R. §§ 1.2107(c)–(d). Further instructions will be provided to auction winners at the close of the auction.

The FCC Form 600 may be filed electronically. Alternatively, a hard copy plus required 3.5" properly-formatted diskette copies may be sent to:

FCC Form 600 Filing, Auction No. 14
Federal Communications Commission
Office of Operations
1270 Fairfield Road
Gettysburg, PA 17325-7245

C. Application Processing and Grant; Final Payments

Once a high bidder has submitted its down payment and filed an acceptable FCC Form 600 application, the FCC will release a public notice announcing acceptance of the long-form application. Parties will have five days following the public notice to file petitions to deny. Any responses to petitions to deny are due within five days. If the Commission dismisses or denies all petitions to deny, the Commission will announce by public notice that it is prepared to award a license, and the winning bidder will then have ten business days to submit the balance of its winning bid. If this payment is made, the license will be granted.

Winning bidders will receive further instructions and detailed payment information after the auction closes.

D. Refund of Remaining Upfront Payment Balance

All applicants who submitted upfront payments but were not winning bidders for any WCS license may be entitled to a refund of their remaining upfront payment balance after the conclusion of the auction. No refund will be made unless there are excess funds on deposit from that applicant after any applicable bid withdrawal payments have been paid.

Bidders who drop out of the auction completely may be eligible for a refund of their upfront payments before the close of the auction. However, bidders who reduce their eligibility and remain in the auction are not eligible for partial refunds of upfront payments until the close of the auction. Qualified bidders who have exhausted all their activity rule waivers, have no remaining bidding eligibility, and have not withdrawn a high bid during the auction must submit a written refund request, along with a Taxpayer Identification Number ("TIN") and a copy of their bidding eligibility screen print, to:

Federal Communications Commission
Billings and Collections Branch
Attn: Regina Dorsey or Linwood Jenkins
1919 M Street, N.W., Room 452
Washington, D.C. 20554

Bidders can also fax their request to the Billings and Collections Branch at (202) 418-2843. Once the request has been approved, a refund will be sent to the address provided on the FCC Form 159.

NOTE: Refund processing generally takes up to two weeks to complete. Bidders with questions about refunds should contact Regina Dorsey or Linwood Jenkins at 202-418-1995.

E. Default and Disqualification

Any high bidder that defaults or is disqualified after the close of the auction (*i.e.*, fails to remit the required down payment within the prescribed period of time, fails to submit a timely long-form application, fails to make full payment, or is otherwise disqualified) will be subject to the payments described in Sections 1.2104(g) and 1.2109 of the Commission's Rules. In the event that the amount of those payments cannot be determined (*i.e.* until the license has been reaucted), the FCC can require a "deposit" of at least three (3) percent of the defaulted bid amount. *See In Re C. H. PCS, Inc., BTA No. B347 Frequency Block C, Order, DA 96-1825*

(released November 4, 1996). *See also* Wireless Telecommunications Bureau Will Strictly Enforce Default Payment Rules, *Public Notice*, DA 96-41 (April 4, 1996). Under certain circumstances the FCC can also reacquire the license to existing or new applicants, or offer it to the other highest bidders (in descending order) at their final bids. *See* 47 C.F.R. § 1.2109(b)–(c). In addition, if a default or disqualification involves gross misconduct, misrepresentation or bad faith by an applicant, the FCC may declare the applicant and its principals ineligible to bid in future auctions, and may take any other action that it deems necessary, including institution of proceedings to revoke any existing licenses held by the applicant. *See* 47 C.F.R. § 1.2107(d).

F. Service and Construction Requirements

WCS licenses are required to provide substantial service to their service areas within ten years. Licensees failing to demonstrate that they are providing substantial service at the ten year period will be subject to forfeiture of their licenses.

- FCC -

News Media Contact: Audrey Spivack at (202) 418-0654

Wireless Telecommunications Bureau Contacts:

Louis Sigalos, Josh Roland or Matthew Moses at (202) 418-0660

LIST OF LICENSES OFFERED

The following table lists the 128 Wireless Communications Service ("WCS") licenses to be auctioned. The licenses consist of two licenses (Frequency Blocks "A" and "B") in each of 52 Major Economic Areas (MEAs) and two licenses (Frequency Blocks "C" and "D") in each of 12 Regional Economic Area Groupings (REAGs). The MEAs and REAGs are based on the 172 Economic Area ("EAs") developed by the Bureau of Economic Analysis of the U.S. Department of Commerce. More information regarding EAs is available on the Commission's Office of Engineering and Technology's Internet web page at:

<http://www.fcc.gov/oet/info/maps/bea/>

SUMMARY OF LICENSES TO BE AUCTIONED: BLOCKS A AND B
MAJOR ECONOMIC AREAS

MEA Numbe	Major Economic Area Name	License No.*	Population* *	Upfront Payment***
RE01 - Northeast				
ME01	Boston	WSME01A/F	8,672,944	\$1,734,588.80
ME02	New York City	WSME02A/F	29,027,017	\$5,805,403.40
ME03	Buffalo	WSME03A/F	1,529,735	\$305,947.00
ME04	Philadelphia	WSME04A/F	7,942,319	\$1,588,463.80
RE02 - Southeast				
ME05	Washington	WSME05A/F	7,745,433	\$1,549,086.60
ME06	Richmond	WSME06A/F	3,897,805	\$779,561.00
ME07	Charlotte-Greensboro-Greenville-Raleigh	WSME07A/F	9,825,342	\$1,965,068.40
ME08	Atlanta	WSME08A/F	7,341,931	\$1,468,386.20
ME09	Jacksonville	WSME09A/F	2,168,038	\$433,607.60
ME10	Tampa-St. Petersburg-Orlando	WSME10A/F	5,528,763	\$1,105,752.60
ME11	Miami	WSME11A/F	5,025,606	\$1,005,121.20
RE03 - Great Lakes				
ME12	Pittsburgh	WSME12A/F	4,148,373	\$829,674.60
ME13	Cincinnati-Dayton	WSME13A/F	4,325,459	\$865,091.80
ME14	Columbus	WSME14A/F	2,100,613	\$420,122.60
ME15	Cleveland	WSME15A/F	5,077,339	\$1,015,467.80
ME16	Detroit	WSME16A/F	10,041,377	\$2,008,275.40
ME17	Milwaukee	WSME17A/F	4,634,011	\$926,802.20
ME18	Chicago	WSME18A/F	12,495,510	\$2,499,102.00
ME19	Indianapolis	WSME19A/F	2,753,182	\$550,636.40
ME20	Minneapolis-St. Paul	WSME20A/F	6,018,051	\$1,203,610.20
ME21	Des Moines-Quad Cities	WSME21A/F	2,733,385	\$546,677.00
RE04 - Mississippi Valley				
ME22	Knoxville	WSME22A/F	1,364,665	\$272,933.00
ME23	Louisville-Lexington-Evansville	WSME23A/F	4,059,317	\$811,863.40
ME24	Birmingham	WSME24A/F	3,082,737	\$616,547.40
ME25	Nashville	WSME25A/F	2,002,283	\$400,456.60
ME26	Memphis-Jackson	WSME26A/F	3,850,949	\$770,189.80
ME27	New Orleans-Baton Rouge	WSME27A/F	4,310,367	\$862,073.40
ME28	Little Rock	WSME28A/F	2,309,255	\$461,851.00
ME29	Kansas City	WSME29A/F	2,903,432	\$580,686.40
ME30	St. Louis	WSME30A/F	4,436,804	\$887,360.80
RE05 - Central				
ME31	Houston	WSME31A/F	5,513,511	\$1,102,702.20
ME32	Dallas-Fort Worth	WSME32A/F	9,575,762	\$1,915,152.40
ME33	Denver	WSME33A/F	3,952,116	\$790,423.20
ME34	Omaha	WSME34A/F	1,638,440	\$327,688.00
ME35	Wichita	WSME35A/F	1,094,213	\$218,842.60
ME36	Tulsa	WSME36A/F	1,259,636	\$251,927.20
ME37	Oklahoma City	WSME37A/F	1,695,572	\$339,114.40
ME38	San Antonio	WSME38A/F	2,944,684	\$588,936.80
ME39	El Paso-Albuquerque	WSME39A/F	2,114,287	\$422,857.40
ME40	Phoenix	WSME40A/F	3,458,935	\$691,787.00

**SUMMARY OF LICENSES TO BE AUCTIONED: BLOCKS A AND B
MAJOR ECONOMIC AREAS**

MEA Numbe	Major Economic Area Name	License No.*	Population* *	Upfront Payment***
RE06 - West				
ME41	Spokane-Billings	WSME41A/F	1,727,716	\$345,543.20
ME42	Salt Lake City	WSME42A/F	2,444,454	\$488,890.80
ME43	San Francisco-Oakland-San Jose	WSME43A/F	11,956,167	\$2,391,233.40
ME44	Los Angeles-San Diego	WSME44A/F	19,333,536	\$3,866,707.20
ME45	Portland	WSME45A/F	2,999,719	\$599,943.80
ME46	Seattle	WSME46A/F	3,990,811	\$798,162.20
RE07 - Alaska				
ME47	Alaska	WSME47A/F	550,043	\$110,008.60
RE08 - Hawaii				
ME48	Hawaii	WSME48A/F	1,108,229	\$221,645.80
RE09 - Guam and Northern Mariana Islands				
ME49	Guam and Northern Mariana Islands	WSME49A/F	176,000	\$35,200.00
RE10 - Puerto Rico and U.S. Virgin Islands				
ME50	Puerto Rico and U.S. Virgin Islands	WSME50A/F	3,623,846	\$724,769.20
RE11 - American Samoa				
ME51	American Samoa	WSME51A/F	47,000	\$9,400.00
RE12 - Gulf of Mexico				
ME52	Gulf of Mexico	WSME52A/F	0	\$5,000.00
Totals			252,556,719	\$50,516,343.80

Notes:

*When identifying an individual license, only one frequency block may be used (e.g., "A" or "B"). This license number must be used on the FCC Form 159 in FCC Code 2 block when making down payments, final payments, or installment payments.

Do not specify individual licenses on the FCC Form 159 accompanying an upfront payment.

** All population figures are 4/1/90 U.S. Census, U.S. Department of Commerce, Bureau of the Census.

*** Upfront Payment = Population x Block Size in MHz x \$0.02 (except for the Gulf of Mexico service area (ME52), see Part C(3), above).

**SUMMARY OF LICENSES TO BE AUCTIONED: BLOCKS C AND D
REGIONAL ECONOMIC AREA GROUPINGS**

Region Number	Regional Economic Area Grouping Name	License No.*	Population* *	Upfront Payment***
RE01	Northeast	WSRE01C/I	47,172,015	\$4,717,201.50
RE02	Southeast	WSRE02C/I	41,532,918	\$4,153,291.80
RE03	Great Lakes	WSRE03C/I	54,327,300	\$5,432,730.00
RE04	Mississippi Valley	WSRE04C/I	28,319,809	\$2,831,980.90
RE05	Central	WSRE05C/I	33,247,156	\$3,324,715.60
RE06	West	WSRE06C/I	42,452,403	\$4,245,240.30
RE07	Alaska	WSRE07C/I	550,043	\$55,004.30
RE08	Hawaii	WSRE08C/I	1,108,229	\$110,822.90
RE09	Guam and Northern Mariana Islands	WSRE09C/I	176,000	\$17,600.00
RE10	Puerto Rico and U.S. Virgin Islands	WSRE10C/I	3,623,846	\$362,384.60
RE11	American Samoa	WSRE11C/I	47,000	\$4,700.00
RE12	Gulf of Mexico	WSRE12C/I	0	\$2,500.00
Totals			252,556,719	\$25,258,171.90

Notes:

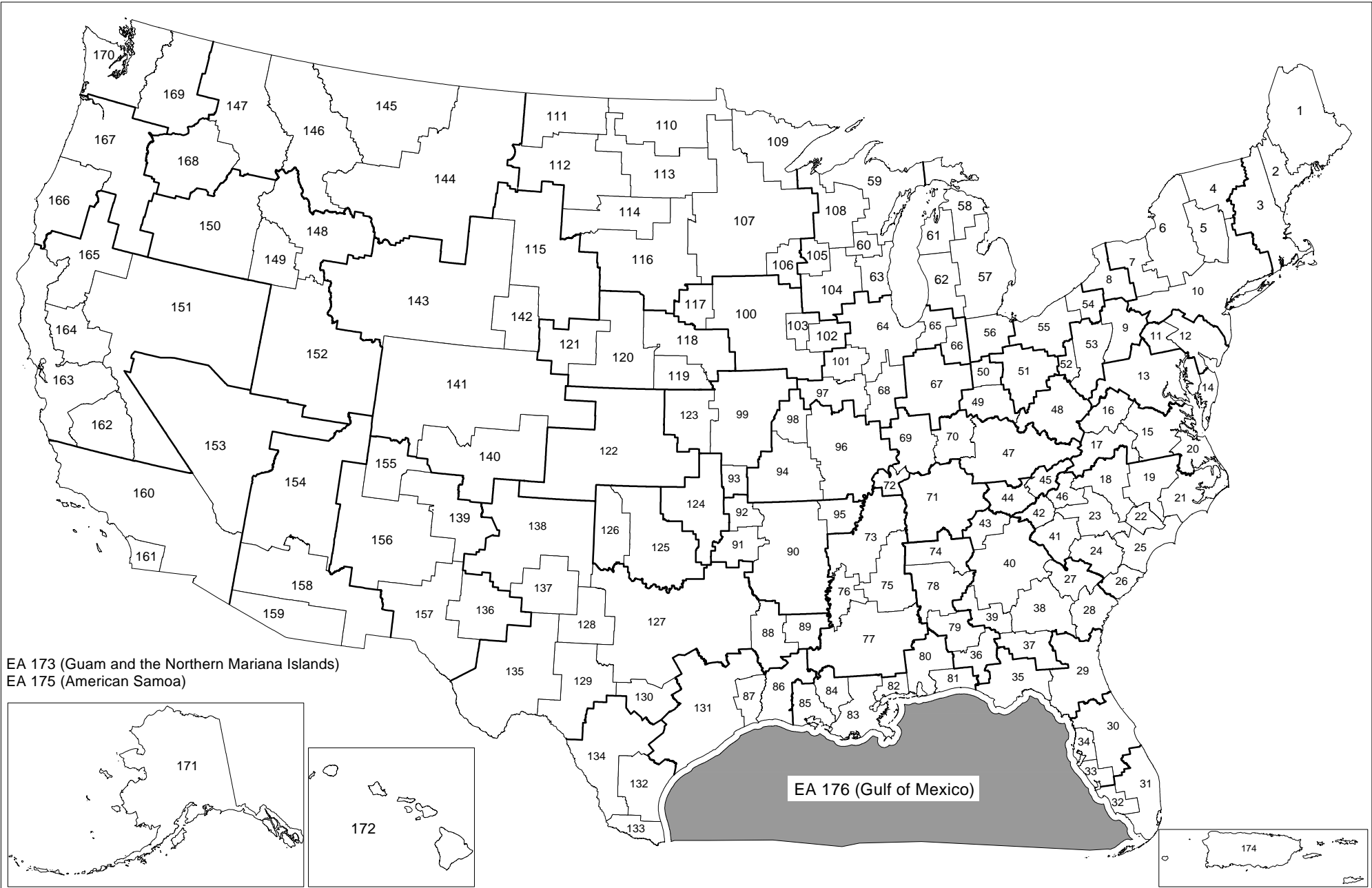
*When identifying an individual license, only one frequency block may be used (e.g., "C" or "D"). This license number must be used on the FCC Form 159 in FCC Code 2 block when making down payments, final payments, or installment payments.

Do not specify individual licenses on the FCC Form 159 accompanying an upfront payment.

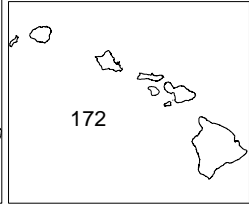
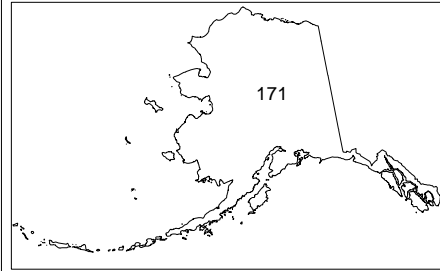
** All population figures are 4/1/90 U.S. Census, U.S. Department of Commerce, Bureau of the Census.

*** Upfront Payment = Population x Block Size in MHz x \$0.02 (except for the Gulf of Mexico service area (RE12), see Paragraph C(3), above).

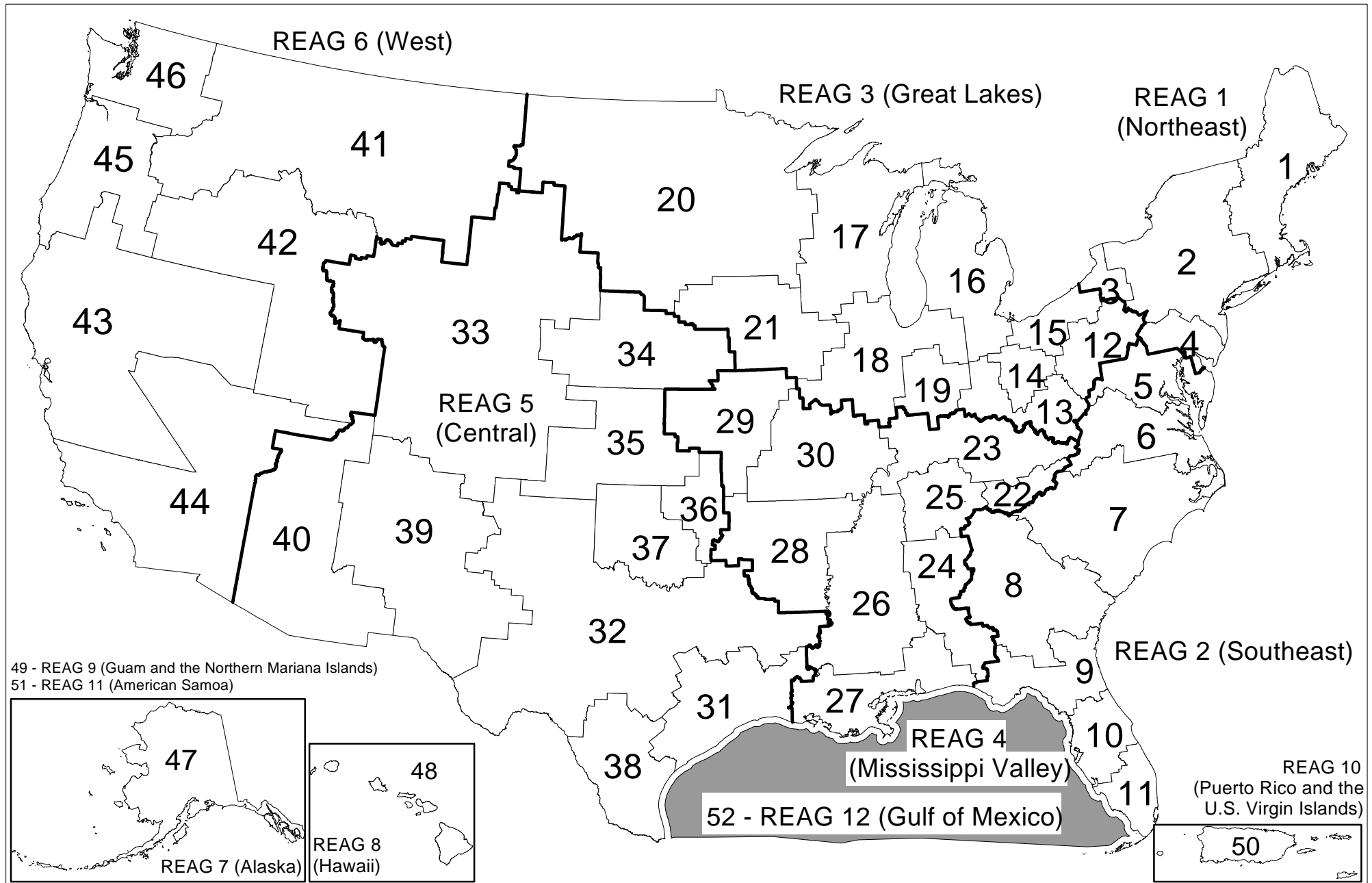
Appendix C: Major Economic Areas (MEAs) and Their Constituent Economic Areas (EAs)



EA 173 (Guam and the Northern Mariana Islands)
EA 175 (American Samoa)



Appendix D: Regional Economic Area Groupings (REAGs) and Their Constituent MEAs



Electronic Filing of FCC Form 175

The Commission has implemented a remote access system to allow applicants to submit their FCC Form 175 applications electronically. The remote access system for initial filing of the FCC Form 175 applications will generally be available 24 hours per day beginning at approximately the same time as the release of the Bidder Information Package. FCC Form 175 applications that are filed electronically using this remote access system must be submitted and confirmed by **5:30 p.m. ET on March 25, 1997**. Late applications or unconfirmed submissions of electronic data will not be accepted. The electronic filing process consists of an initial filing period and a resubmission period to make minor corrections.

Parties interested in filing FCC Form 175 applications electronically may do so via a (202) area code telephone service with no additional access charge or via a 900 number telephone service at a charge of \$2.30 per minute. The first minute of connection time to the 900 number service will be at no charge.

Similarly, parties interested in reviewing FCC Form 175 applications electronically will do so via the 900 telephone service at a charge of \$2.30 per minute. The first minute of connection time to the 900 number service will be at no charge.

Those applicants who wish to file their FCC Form 175 electronically or review other FCC Form 175 applications on-line will need the following hardware and software:

Hardware Requirements:

- o CPU: Intel 80486 or above
- o RAM: 8MB RAM (more recommended if you intend to open multiple applications)
- o Hard Disk: 12MB available disk space
- o Modem: v.32bis 14.4kbps Hayes compatible modem
- o Monitor: VGA or above
- o Mouse or other pointing device

To create backup installation disks for the FCC Form 175 Application, you will need the following:

- o 1.44MB 3.5" Floppy Drive
- o Three blank MS-DOS® formatted 1.44MB floppy disks

Software Requirements:

- o FCC Form 175 Application Software (available through the Internet and the FCC Bulletin Board System)
- o Microsoft Windows 3.1 or Microsoft Windows for Workgroups v3.11 in an enhanced mode

Note: The FCC Form 175 Application has not been tested in a Macintosh, OS/2, or Windows95 environment. Therefore, the FCC will not support operating systems other than Microsoft Windows 3.1 or Microsoft Windows for Workgroups v3.11 in an enhanced mode. This includes any other emulated Windows environment. If your Windows is in a networked environment, you should check with your local network administrator for any potential conflicts with the PPP (Point-to-Point Protocol) Dialer that is incorporated into the FCC Form 175 Application. This usually includes any TCP/IP installed network protocol.

The PPP Dialer that is incorporated into the FCC Form 175 Application will establish a point-to-point connection from your PC to the FCC Network. *This point-to-point connection is not routed through the Internet.*

Applicants who wish to file their FCC applications electronically or who wish to view other applicants' applications must first download the software from either the Internet or the FCC Bulletin Board System. Applicants must download the following compressed files to install the software:

f175v10a.exe, f175v10b.exe, f175v10c.exe.

Internet Access:

In order to download the compressed files from the Internet, you will need to have access to the Internet and an ftp client software as follows:

- o **World Wide Web:** <ftp://ftp.fcc.gov>

Once you connect to the FCC ftp server, select the following directory and download the following files:

Directory: /pub/Auctions/WCS/Auction_14/Programs
File: **f175v10a.exe, f175v10b.exe, f175v10c.exe**

- o **FTP:** The following instructions are for the command line version of ftp.
 1. Connect to the FCC ftp server by typing `ftp ftp.fcc.gov`

2. At the user name prompt, type anonymous **[Enter]**
 3. At the password prompt, type your Internet e-mail address **[Enter]**
 4. To allow the file to be downloaded type: binary **[Enter]**
 5. Change your current directory to the Programs directory by typing:
cd /pub/Auctions/WCS/Auction_14/Programs **[Enter]**
 6. Use the get command to download the files from the FCC ftp server by typing:
get f175v10a.exe **[Enter]**
get f175v10b.exe **[Enter]**
get f175v10c.exe **[Enter]**
 7. If you wish to exit, type:
bye **[Enter]**
- o **Gopher:** gopher.ftp.fcc.gov or use any gopher to get to "all the gophers in the world" then 'U.S.' then 'DC' then 'FCC'.

Dial-In Access to the FCC Auction Bulletin Board System (BBS):

The FCC Auction Bulletin Board System provides dial-in access for the FCC Form 175 Application Software. In order to access the FCC Auction BBS, use a communications package that can handle at least xmodem protocol (e.g., pcAnyWhere, Telix, Procomm) to dial in to (202) 682-5851. Use the settings of 8 data bits, no parity and 1 stop bit (8,N,1).

- o **For new users follow steps 1-5, otherwise go to step 6 in the ANSI Protocol Instructions section or the Non-ANSI Protocol Instructions section (whichever is applicable):**
1. Type New and press **[Enter]**. If the word ANSI is blinking, type Y for yes. If the word ANSI is not blinking, type N for No
 2. Type in your first and last name and press **[Enter]**. This will be your login name
 3. Type in Y and press **[Enter]** when asked to verify your login name
 4. Type in what you want your password to be and press **[Enter]**
 5. Retype the password for verification and press **[Enter]**

o **ANSI Protocol Instructions (once the account is generated):**

6. Type W for WCS Auction Files and press **[Enter]**
7. Type A for Auction 14 and press **[Enter]**
8. Type P for Programs and press **[Enter]**
9. Type C for Current Library and press **[Enter]**
10. Move the cursor to the file named **f175v10a.exe** and type **[Control-D]** for Download and press **[Enter]**
(You may need to change the transfer protocol first --- please see note below.)
11. The FCC Auction BBS will begin transferring the file. You may need to give your terminal emulation software a command to receive the file; please consult your terminal emulation software manual for instructions concerning how to do so.
12. Type X to return to the Programs menu. Repeat steps 10 and 11 to download the following files: **f175v10b.exe, f175v10c.exe**
13. Type X to return to the Programs menu, then type X again. Type X to Exit and press **[Enter]** and continue to do so until asked if you want to Exit the BBS. Press Y for Yes when asked to verify that you want to exit.

o **Non-ANSI Protocol Instructions (once the account is generated):**

6. Type W for WCS Auction Files and press **[Enter]**
7. Type A for Auction 14 and press **[Enter]**
8. Type P for Programs and press **[Enter]**
9. Type C for Current Library and press **[Enter]**
10. Type the letter next to the file named **f175v10a.exe** and press **[Enter]**
11. Type D for Download now and press **[Enter]**
(You may need to change the transfer protocol first -- please see the note below.)
12. The FCC Auction BBS will begin transferring the file. You may need to give your terminal emulation software a command to receive the file; please consult your terminal emulation software manual for instructions concerning how to do so.

13. Repeat steps 10 through 12 to download the following files: **f175v10b.exe**, **f175v10c.exe**
14. Type X, then type X to Exit and press **[Enter]** and continue to do so until asked if you want to Exit the BBS. Press Y for Yes when asked to verify that you want to exit.

NOTE: To download files, you will need to match the transfer protocol on your BBS account to the transfer protocol set in your terminal emulation software.

To set the BBS transfer protocol, return to the initial menu and type L for Library and **[Enter]**, P for Preferences and **[Enter]**, and

P for File Transfer Protocol and **[Enter]**.

Type the letter next to the protocol you desire and press **[Enter]**.

You may now download files.

Extracting the FCC Form 175 Application

The FCC Form 175 Application files are downloaded in a self-extracting, compressed file format. When you have downloaded **all** of the compressed files for the FCC Form 175 Application, you must extract the FCC Form 175 Application from those files. To extract the software, start File Manager in the Main Program group, open the file folder where you downloaded the files, and double-click on **f175v10a.exe**. A message will appear listing the default directory to which the software will extract. If this directory does not exist, it will be created automatically. Press Unzip to begin extracting the software from the compressed file.

When the extraction is complete, a message will appear listing the number of files that were unzipped. Press OK and repeat the above process for the remaining compressed files (**f175v10b.exe**, **f175v10c.exe**). Be sure to extract to the **same** directory as the first compressed file.

Installing the FCC Form 175 Application

After you extract the software from the compressed files, you must install the FCC Form 175 Application. To install the software, start File Manager, open the file folder to which you extracted the software and double-click on **setup.exe**.

When the setup program begins, a screen will appear listing the default directory to which the software will install. Press the Install button, then press OK to install to the specified directory. If the directory does not exist, the setup program will create it automatically.

When the installation is complete, a message may appear asking you to restart Windows so that the changes made by the installation may take effect. Press Restart to restart Windows, or press

Stay Here to restart at a later time. Do not use the FCC Form 175 Application until you restart Windows.

Creating Backup Installation Disks for the FCC Form 175 Application

To create backup installation disks for the FCC Form 175 Application, go to File Manager, open the file folder to which you extracted the software, double-click on **backup.bat**, and follow the instructions on the screen.

Running the FCC Form 175 Application

When the installation process is complete, you will have a new Program Manager group called FCC Form 175 Application v10 with the following icons: Configure PPP, FCC Form 175 Submit, FCC Form 175 Review, Suggestion Box, Readme, and Uninstall.

You must verify/modify the parameters in the Configure PPP program prior to establishing a PPP connection. Please consult the readme.txt file included with the software for information regarding Configure PPP.

Double-click on an icon to start the respective system.

Uninstalling the FCC Form 175 Application

To uninstall the FCC Form 175 Application, double-click on the Uninstall icon in the FCC Form 175 v10 program group. Press Start to uninstall the software.

Please note that the Uninstall program will remove ALL versions of the software located in that installation directory.

Alternatively, you may uninstall the FCC Form 175 Application by deleting the directory to which you installed the software, then switching to Program Manager and deleting the FCC Form 175 v10 icons and group.

Help

Detailed instructions for using all FCC Remote Electronic Auction System software can be found in the readme file associated with the software and in the context-sensitive help function associated with each software system.

For technical assistance in installing or using the FCC Form 175 Application, contact the FCC Technical Support Hotline at (202) 414-1250. The FCC Technical Support Hotline will be generally available Monday through Friday, from 9 a.m. to 6 p.m. ET.

GUIDELINES FOR COMPLETING FCC FORM 175 AND EXHIBITS

A. FCC Form 175

Because of the significance of the Form 175 application to the auction, bidders should especially note the following:

Electronic filing only: Applicants for the WCS auction must submit their FCC Form 175 applications by means of electronic filing. Applicants should note that any attachments must be submitted in ASCII text (.TXT) format.

Items 2-5: Give a street address (not a Post Office box number) for the applicant, suitable for mail or private parcel delivery. The FCC will send all registration materials and other written communications to the applicant at this address.

Item 6: Applicants should verify that this item is pre-filled with the number "14." If this item is blank or contains another number, applicants should confirm that they entered "14" on the initial FCC Form 175 Welcome Screen.

Item 7: Applicants must create a ten-digit FCC Account Number, which the Commission will use to identify and track applicants:

- A bidder that has a taxpayer identification number (TIN) must create this FCC account number by using its TIN, plus the prefix of "0" (*i.e.*, 0123456789). A TIN is either the Employer Identification Number (EIN) in the case of a business, or the Social Security Account Number (SSAN) in the case of an individual.
- If--and only if--an applicant does not have a taxpayer identification number, the applicant should use its ten-digit area code and telephone number (*i.e.*, 2025551234) on an interim basis. However, the FCC must have a TIN before it will be able to issue a license or refund upfront payments.

Each applicant must include its FCC Account Number when submitting amendments, additional information, or other correspondence or inquiries regarding its application, and must include this same number on each FCC Form 159 (FCC Remittance Advice) accompanying required auction deposits or payments.

Item 8: Applicants must indicate their legal classification. Limited liability companies or joint ventures should check the "Other" box and indicate their classification in the blank.

Items 9 and 10: A box does not need to be checked in Item 9 unless small business status is selected in Item 10. Applicants should be aware that they will be committed to their election choices. (Applicants are also requested to indicate their status as a rural telephone company, minority-owned business or woman-owned business as well, so the FCC can monitor its performance in promoting economic opportunities for these designated entities.) Be advised that this is the sole opportunity applicants have to elect small business status and bidding credit level (if applicable), and there is no opportunity to change the election(s) made once the short-form filing deadline passes.

- Small or very small business applicants eligible for bidding credits should check that gross revenues do not exceed the maximum dollar amount specified in the FCC rules governing the auctionable service in Item 9.
- Small or very small business applicants should enter the applicable bidding credit in Item 10: either 25 or 35 percent. Applicants should be aware that this is the sole opportunity that they will have to elect the appropriate bidding credit.
- Applicants should leave the Installment Payment Plan Type blank, as none is available for this auction.

Item 11: For each license on which they seek bidding eligibility, applicants must identify the market number in the Market No. column, and the frequency block or blocks in the Frequency Block column; frequency blocks are A and B for MEAs and C and D for REAGs. Applicants that wish to bid on all frequency blocks on all markets should check the "ALL" boxes in the Market No. and Frequency Block/Channel No. headings.

Applicants should identify all licenses they want to be eligible to bid on in the auction in Item 11. Be advised that there is no opportunity to change this list once the short-form filing deadline passes. The FCC Auction System will not accept bids on licenses an applicant has not applied for on its FCC Form 175.

Item 12: Applicants must list the name(s) of the person(s) (no more than three) authorized to represent them at the auction. Only those individuals listed on the FCC Form 175 will be authorized to place or withdraw bids for the applicant during the auction.

Certifications: Applicants should carefully read the list of certifications on the FCC Form 175. These certifications help to ensure a fair and competitive auction and require, among other things, disclosure to the Commission of certain information on applicant ownership and agreements or arrangements concerning the auction. Additionally, the applicant must certify that it is not in default on any Commission licenses and that it is not delinquent on any extension of

credit from any federal agency. Submission of an FCC Form 175 application constitutes a representation by the certifying official that he or she is an authorized representative of the applicant, has read the form's instructions and certifications, and that the contents of the application and its attachments are true and correct. Submission of a false certification to the Commission may result in penalties, including monetary forfeitures, license forfeitures, ineligibility to participate in future auctions, and/or criminal prosecution.

Contact person: If the Commission wishes to communicate with the applicant by telephone or fax, those communications will be directed to the contact person identified on the FCC Form 175. Space is provided for a telephone number, fax number, and e-mail address. All written communications and registration information will be directed to the applicant's contact person at the address specified on the FCC Form 175. Applicants must provide a street address; no P.O. Box addresses may be used.

Completeness: Applicants must submit all information required by FCC Form 175 and by applicable rules. **Failure to submit required information will result in dismissal of the application and inability to participate in the auction.**

Continuing Accuracy: Each applicant is responsible for the continuing accuracy and completeness of information furnished in the FCC Form 175 and its exhibits. *See* 47 C.F.R. § 1.65. It is the staff's position that ten business days from a reportable change is a reasonable period of time in which applicants must amend their FCC Form 175s. Applicants are reminded that Certification (6) on FCC Form 175 includes consent to be audited.

B. Exhibits and Attachments

In addition to FCC Form 175 itself, applicants must submit additional information required by the FCC's rules. Although we do not require a particular organization or format for this information, we have developed the following guidelines that will facilitate the processing of short-form applications. We encourage applicants to submit this information using the following format. All exhibits must be in ASCII text (.TXT) format.

Exhibit A—Applicant Identity and Ownership Information: 47 C.F.R. § 1.2105(a)(2) requires each applicant to fully disclose the real party or parties-in-interest in an exhibit to its FCC Form 175 application. This information should provide the name, citizenship and address of all partners, if the applicant is a partnership; of a responsible officer or director, if the applicant is a corporation; of the trustee, if the applicant is a trust; or, if the applicant is none of the foregoing, list the name, address and citizenship of a principal or other responsible person.

Exhibit B—Agreements with Other Parties/Joint Bidding Arrangements: Applicants must attach an exhibit identifying all parties with whom the applicant has entered into partnerships, joint ventures, consortia or other agreements, arrangement or undertakings of any

kind, relating to the licenses being auctioned, including any such agreements relating to post-auction market structure. 47 C.F.R. § 1.2105(a)(2)(viii).

Be aware that pursuant to Certification (4) on the FCC Form 175, the applicant certifies that it will not enter into any explicit or implicit agreements or understandings of any kind with parties not identified in the application regarding the amount to be bid, bidding strategies or the particular licenses on which the applicant will or will not bid. *See* 47 C.F.R. § 1.2105(a)(2)(ix). *To prevent collusion, the Commission's rules generally prohibit communications during the course of the auction among applicants for the same license areas when such communications concern bids, bidding strategies, or settlements.* 47 C.F.R. § 1.2105(c).

Exhibit C–Status as a Small or Very Small Business Applicant: Applicants claiming status as a small or very small business must attach an exhibit regarding this status.

- Small or very small business applicants must state the average gross revenues for the preceding three years for the applicant (including affiliates), as prescribed by 47 C.F.R. § 27.210. Certification that the average gross revenues for the preceding three years do not exceed the required limit is not sufficient.

Exhibit D–Information Requested of Designated Entities: Applicants owned by minorities or women as defined in 47 C.F.R. § 1.2110(b), or who are rural telephone companies, may attach an exhibit regarding this status. This information, in conjunction with the information in Item 10, will assist the Commission in monitoring the participation of designated entities in its auctions.

Exhibit E–Miscellaneous Information: Applicants wishing to submit additional information should include it in Exhibit E.

Applicants are reminded that all information required in connection with applications to participate in spectrum auctions is necessary to determine the applicants' qualifications, and as such will be available for public inspection. Required proprietary information may be redacted, or confidentiality may be requested, following the procedures set out in 47 C.F.R. § 0.459. Any such requests should be submitted in writing to Kathleen O'Brien Ham, Chief, Auctions Division, Wireless Telecommunications Bureau, Federal Communications Commission, 2025 M Street, N.W., Room 5322, Washington, D.C., 20554 (with a separate copy mailed to Louis Sigalos, Auctions Division), in which case the applicant must indicate in Exhibit E that it has filed a confidentiality request. Because the required information bears on applicants' qualifications, the FCC envisions that confidentiality requests will not be routinely granted.

Waivers: Applicants requesting waiver of any rules must submit a statement of reasons sufficient to justify the waiver sought.

**Summary Listing of Documents from the Commission
and the Wireless Telecommunications Bureau
Addressing Application of the Anti-Collusion Rules**

To date, discussion concerning the anti-collusion rules may be found in the following Commission and Bureau items:

Commission Decisions:

Second Report and Order in PP Docket No. 93-253, FCC 94-61, 9 FCC Rcd 2348 (1994), paragraphs 221-226.

Fifth Report and Order in PP Docket No. 93-253, FCC 94-178, 9 FCC Rcd 5532 (1994), paragraphs 91-92.

Second Memorandum Opinion and Order in PP Docket No. 93-253, FCC 94-215, 9 FCC Rcd 7245 (1994), paragraphs 48-55.

Fourth Memorandum Opinion and Order in PP Docket No. 93-253, FCC 94-264, 9 FCC Rcd 6858 (1994), paragraphs 47-60.

Memorandum Opinion and Order in PP Docket No. 93-253, FCC 94-295, 9 FCC Rcd 7684 (1994), paragraphs 8-12.

Wireless Telecommunications Bureau Decisions:

Order in PP Docket No. 93-253 and MM Docket No. 94-131, DA 95-2292, (released November 3, 1995).

Public Notices:

"Wireless Telecommunications Bureau Clarifies Spectrum Auction Anti-Collusion Rules," *Public Notice*, DA 95-2244 (released October 26, 1995).

"Wireless Telecommunications Bureau Provides Guidance on the Anti-Collusion Rule for D, E and F Block Bidders," *Public Notice*, DA 96-1460 (released August 28, 1996).

Letters from the Office of General Counsel and the Wireless Telecommunications Bureau:

Letter to Gary M. Epstein and James H. Barker from William E. Kennard, General Counsel, Federal Communications Commission (released October 25, 1994).

Letter to Alan F. Ciamporzero from William E. Kennard, General Counsel, Federal Communications Commission (released October 25, 1996).

Letter to R Michael Senkowski from Rosalind K. Allen, Acting Chief, Commercial Radio Division, Wireless Telecommunications Bureau (released December 1, 1994).

Letter to Leonard J. Kennedy from Rosalind K. Allen, Acting Chief, Commercial Radio Division, Wireless Telecommunications Bureau (released December 14, 1994).

Letter to Jonathan D. Blake and Robert J. Rini from Kathleen O'Brien Ham, Chief, Auctions Division, Wireless Telecommunications Bureau, DA 95-2404 (released November 28, 1995).

Letter to Mark Grady from Kathleen O'Brien Ham, Chief, Auctions Division, Wireless Telecommunications Bureau, DA 96-587 (released April 16, 1996).

Letter to David L. Nace from Kathleen O'Brien Ham, Chief, Auctions Division, Wireless Telecommunications Bureau, DA 96-1566 (released September 17, 1996).